CLAIM AMENDMENTS

two-cycle, crankcase compression internal combustion engine contained within said engine compartment and for a watercraft having a crankcase chamber journaling an output shaft, a pair of cylinder blocks extending at a V-angle to each other and affixed to said crankcase chamber, each cylinder block having at least one cylinder bore containing a piston for driving said output shaft, said cylinder bores having axes lying in a plane that extends transversely to said output shaft, an induction system for said engine disposed substantially completely in a valley defined between said cylinder blocks for delivering at least an air charge to said crankcase chamber for transfer to combustion chambers formed above said pistons, and a pair of exhaust manifolds each affixed to a respective one of said cylinder blocks on the side thereof facing away from said valley.

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7. (Amended) A watercraft as in claim 6, wherein the expansion chambers are disposed on the same side of the cylinder blocks as the <u>respective</u> exhaust manifold.

27. (Amended) A watercraft comprised of a hull defining an engine compartment, an engine contained within the engine compartment, and an exhaust system extending from the engine to an exhaust discharge, the engine including an engine body journaling a crankshaft to rotate about a rotational axis, the engine body having at least one cylinder which defines a cylinder axis and which contains a piston connected to the crankshaft, the engine body including at least one intake port provided on a first side of a plane which contains the cylinder axis and the rotational axis of the crankshaft, and at least one exhaust port provided on a second side of the plane, opposite the first side, the exhaust system including an expansion chamber having upstream and downstream ends and having a diverging portion at the upstream end, at least a portion of the expansion chamber being positioned on the first side of the plane.